EXHIBIT A

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

JOSEPH HAN and TONY CHANG, on behalf of themselves and others similarly situated,

Plaintiffs,

-against-

STERLING NATIONAL MORTGAGE COMPANY, INC., JONATHAN GOLDBERG, ADAM DEJAK and MICHAEL BIZENOV,

Defendants.

Civil Action No.: CV 09-5589

Bianco, Jr.
Tomlinson, M.J.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between Defendants Sterling National Mortgage Company, Inc. ("Sterling"), Jonathan Goldberg, Adam Dejak And Michael Bizenov (collectively "Defendants") and Joseph Han and Tony Chang (the "Named Plaintiffs"), individually and on behalf of a class they represent ("Class") in the matter *Han and Chang v. Sterling National Mortgage Co., Inc. et al.* (collectively "Parties").

1. RECITALS AND BACKGROUND

WHEREAS, Named Plaintiffs have filed a Class and Collective Action Complaint against Defendants under the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq. ("FLSA")* and New York state wage and hour law for the alleged failure to pay certain wage and overtime amounts to Named Plaintiffs and the Class (the "Litigation");

WHERAS, on December 1, 2010, this Court issued an Order granting Plaintiffs' motion for conditional precertification and authorizing a notice of collective action pursuant to the FLSA and on September 14, 2011, the Court issued an Order certifying a class action as to the Named Plaintiffs' wage and hour claims and defined the class as all Inside Loan Officers employed by Sterling from December 22, 2003 to June 2010 who were paid on a draw against commission basis.

WHEREAS, the purpose of this Agreement is to settle fully and finally all Released Claims and Released Rule 23 Class Claims, between Named Plaintiffs, the Class and Defendants, including all claims asserted in the Litigation;

WHEREAS, Defendants deny all of the allegations made by Named Plaintiffs in the Litigation, and deny any and all liability and damages to anyone with respect to the alleged facts or causes of action asserted in the Litigation;

WHEREAS, without admitting or conceding that class and collective certification is warranted, without further acknowledging or conceding any liability or damages whatsoever, and without admitting that pay and/or overtime amounts improperly were withheld from any employees, Defendants agreed to settle the Litigation on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continuing the Litigation; and

WHEREAS, Plaintiffs' Counsel analyzed and evaluated the merits of the claims made against Defendants and the impact of this Agreement on Named Plaintiffs and Class Members of the collective and class action and based upon their analysis and evaluation of a number of factors, and recognizing the substantial risks of continued litigation, including the possibility that the Litigation, if not settled now, might not result in any recovery whatsoever, or might result in a recovery that is less favorable and that would not occur for several years, Plaintiffs' Counsel is satisfied that the terms and conditions of this Agreement are fair, reasonable and adequate and that this Agreement is in the best interest of the Named Plaintiffs and Class Members.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, as well as the good and valuable consideration provided for herein, the Parties hereto agree to a full and complete settlement of the Litigation on the following terms and conditions:

1. DEFINITIONS

The defined terms set forth in this Agreement have the meanings ascribed to them below.

1.1 Agreement. "Agreement" means this Settlement Agreement and Release.

1.2 Authorized Claimant. A Class Member who files a Claim Form and becomes entitled to receive an Individual Settlement Allocation.

1.3 Bar Date. The date by which any Class Member who wishes to qualify as an Authorized Claimant must file a Claim Form, which date shall be no later than forty-five (45) days after the initial mailing of Notice by the Settlement Claims Administrator.

1.4 Claim Form. "Claim Form" shall mean the form, a copy of which is attached to the Notice of Proposed Settlement as Exhibit A, that Named Plaintiffs and Class Members must sign and return post-marked by the Bar Date. The Claim Form must be filed with the Court for a Class Member to be eligible for a distribution from the Settlement Amount.

1.5 Class Counsel. "Class Counsel" or "Plaintiffs' Counsel" shall mean C.K. Lee, Esq., Kraselnik & Lee, PLLC, 30 East 39th Street, Second Floor New York, NY 10016.

1.6 Class Members. "Class Members" shall mean the Named Plaintiffs and current and former employees of Sterling who performed work as an Inside Loan Officer from December 22, 2003 to June 2010, and were paid on a draw against commission basis.

1.7 Class List. A list of all Class Members, identified by: (i) name; (ii) last known address; (iii) dates of employment; and, (iv) weeks worked for Sterling as an Inside Loan Office paid on a draw against commission basis, that Defendants shall provide to Class Counsel and the Settlement Administrator. The Class List is to be used by Class Counsel and Settlement Administrator to effectuate settlement, and may not be used for any other purpose.

1.8 Court. "Court" means the United States District Court for the Eastern District of New York.

1.9 Days. "Days" means business days if the specified number is less than 10, and calendar days if the specified number is 10 or greater.

1.10 Defendants. "Defendants" shall mean Sterling National Mortgage Company, Inc., Jonathan Goldberg, Adam Dejak and Michael Bizenov, their present and former owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, insurers, attorneys, parents, subsidiaries, affiliates, benefit plans, plan fiduciaries, and all persons acting by, through, under or in concert with any of them.

1.11 Defendants' Counsel. "Defendants' Counsel" shall mean Paul J. Siegel and Wendy J. Mellk of Jackson Lewis, LLP, 58 South Service Road, Suite 410, Melville, New York 11747.

1.12 Employer Payroll Taxes. "Employer Payroll Taxes" means all taxes and withholdings an employer is required to make arising out of or based upon the payment of employment compensation in this Litigation, including FICA, FUTA, and SUTA obligations.

1.13 Fairness Hearing. "Fairness Hearing" means the hearing before the Court relating to the Motion for Final Approval.

1.14 Final Approval Order. "Final Approval Order" means the Order entered by the Court after the Fairness Hearing, approving the terms and conditions of this Agreement, distribution of the Settlement Checks and Service Awards, and Dismissal of the Litigation with prejudice.

1.15 Final Effective Date. "Final Effective Date" shall be the first date after the Court has entered a Final Approval Order approving this settlement and the Court has entered the judgment as provided in Section 2.9; the time to appeal from the Final Approval Order has expired and no notice of appeal has been filed or if a notice of appeal is filed, the latest of the following, if applicable, has occurred: (1) any appeal from the Final Approval Order has been finally dismissed; (2) the Final Approval Order has been affirmed on appeal in a form substantially identical to the form of the Final Approval Order entered by the Court; (3) the time to petition for review with respect to any appellate decision affirming the Final Approval Order has expired; and (4) if a petition for review of an appellate decision is filed, the petition has been denied or dismissed, or, if granted, has resulted in affirmance of the Final Approval Order in a form substantially identical to the form of the Final Approval Order entered by the Court.

1.16 **Individual Settlement Allocation.** "Individual Settlement Allocation" shall mean the amount payable to each Authorized Claimant pursuant to Section 3.4 of this Agreement.

1.17 **Released Rule 23 Class Claims.** "Released Rule 23 Class Claims" means all wage and hour claims that could have been asserted under federal or state law by or on behalf of Class Members, excluding Class Members who opt-out of the settlement, for the period December 22, 2003 through the Final Effective Date, under New York Labor Law, but not including claims under the Fair Labor Standards Act. The Released Rule 23 Class Claims include all claims that could be asserted in this Litigation, and any claim that could be asserted against Defendants under state, federal and local law, including all claims under the New York Labor Law (but excluding the FLSA), relating to the failure to pay wages, back wages, overtime, minimum wages, all 'derivative benefit claims' (*i.e.*, claims for benefits resulting from alleged failure to pay overtime or wages, both ERISA and non-ERISA benefits), interest, liquidated damages, penalties, attorneys' fees, and any other form of compensation or relief permitted under any federal, state or local laws.

1.18 **Released Claims.** "Released Claims" means all wage and hour claims that could have been asserted under federal or state law by or on behalf of Authorized Claimants, in the Litigation for the period December 22, 2003 through the Final Effective Date, including under the Fair Labor Standards Act and New York Labor Law. The Released Authorized Claimant Claims include all claims raised in this Litigation, and any claim that could be asserted against Defendants under state, federal and local law, including the FLSA and NYLL, relating to the failure to pay wages, back wages, overtime, minimum wages, all 'derivative benefit claims' (*i.e.*, claims for benefits resulting from alleged failure to pay overtime or wages, both ERISA and non-ERISA benefits), interest, liquidated damages, penalties, attorneys' fees, and any other form of compensation or relief permitted under any federal, state or local laws.

1.19 **Gross Settlement Fund.** "Gross Settlement Fund" refers to Seven Hundred Eighty Five Thousand ($785,000), the maximum Sterling has agreed to pay, subject to the right to terminate the Agreement settlement as set forth in

Paragraph 2.12 of this Agreement, to the Settlement Claims Administrator pursuant to this Agreement to fully resolve and satisfy any claim for attorneys' fees, expenses and costs approved by the Court, any and all amounts to be paid to Authorized Claimants, any Court-approved Service Awards to Named Plaintiffs, and payment of the Employer Payroll Taxes.

1.20 **Named Plaintiffs.** "Named Plaintiffs" refers to Joseph Han and Tony Chang.

1.21 **Notice or Notices.** "Notice" or "Notices" means the Court-approved Notices of Proposed Settlement of Class Action and Collective Action Lawsuit including notice of an opportunity to opt-out and/or object to the proposed Settlement, attached hereto as Exhibit B.

1.22 **Objector.** "Objector" means an individual who properly files an objection to this Agreement, and does not include any individual who opts-out of this Agreement.

1.23 **Opt-in Plaintiff.** "Opt-in Plaintiff" means those individuals who file Claim Forms in the Litigation up to and including the deadline for filing specified in the Preliminary Approval Order.

1.24 **Opt-out Statement.** "Opt-out Statement" is a written signed statement that an individual Class Member has decided to opt-out and not be included in this Agreement.

1.25 **Preliminary Approval Order.** "Preliminary Approval Order" means the Order entered by the Court: (i) preliminarily approving the terms and conditions of this Agreement, and, (ii) directing the manner and timing of providing Notices to the Class Members.

1.26 **Qualified Settlement Fund or QSF.** "Qualified Settlement Fund" or "QSF" means the account established by the Settlement Claims Administrator for the Settlement Amount paid by Defendants. The QSF will be controlled by the Settlement Claims Administrator subject to the terms of this Agreement and the Court's Orders for Preliminary Approval and Final Approval. Interest, if any, earned on the QSF will become part of the Net Settlement Fund.

1.27 **Settlement Claims Administrator.** The "Settlement Claims Administrator" refers to the Settlement Claims Administrator selected pursuant to Paragraph 2 to mail the Notices and administer the allocation, and distribution of the QSF. The Settlement Claims Administrator's fees shall be borne by Sterling.

1.28 **Settlement Checks.** "Settlement Checks" means checks issued to Class Members for their share of the Gross Settlement Fund calculated in accordance with this Agreement.

2. INITIAL PROCEDURAL ISSUES

2.1 Binding Agreement. This Agreement is a binding agreement and contains all material agreed-upon terms.

2.2 Retention of the Settlement Claims Administrator. Within twenty (20) days after the filing of a Motion for Preliminary Approval, the Parties shall engage a Settlement Claims Administrator who is mutually agreeable to the Parties to be the Settlement Claims Administrator. If the Parties are unable to agree on a Settlement Claims Administrator, the Parties shall submit their preference to Magistrate Judge Kathleen Tomlinson, to obtain a decision which shall not be subject to appeal.

2.3 Responsibilities of Settlement Claims Administrator. The Settlement Claims Administrator shall be responsible for, among other things: (i) preparing, printing and disseminating to Class Members the Class Notice and Claim Forms (ii) copying counsel for all Parties on material correspondence and promptly notifying all counsel for the Parties of any material requests or communications made by any Party; (iii) promptly furnishing to counsel for the Parties copies of any requests for exclusion, objections or other written or electronic communications from Class Members which the Settlement Class Administrator receives; (iv) receiving and reviewing the Claim Forms submitted by Class Members; (v) keeping track of requests for exclusion including maintaining the original mailing envelope in which the request was mailed; (vi) mailing the settlement checks to Authorized Claimants; and, (vii) ascertaining current address and addressee information for each Class Notice and Claim Form returned as undeliverable and the mailing of Class Notice and Claim Form.

2.4 Class Notice. The Class Notice, a copy of which is attached hereto as Exhibit B, will inform Class Members about this Settlement and will also advise them of the opportunity to object to or opt-out, file a Claim Form to join in the settlement, and/or to appear at the Fairness Hearing. Within twenty (20) days of the entry of the Preliminary Approval Order by the court, the Settlement Claims Administrator will mail to all Class Members, via First Class United States Mail, the Court--approved Notices of Proposed Settlement of Class Action Lawsuit and Fairness Hearing, with Claims Form. The Settlement Claims Administrator will take all reasonable steps to obtain the correct address of any Class Members for whom a Notice and Claims Form is returned by the post office as undeliverable, including a skip trace, and shall attempt a re-mailing to any member of the Settlement Class for whom it obtains a more recent address. The Settlement Claims Administrator shall also mail a Class Notice and Claim Form to any Class Member who contacts the Settlement Claims Administrator during the time period between the initial mailing of the class Notice and the Bar Date and requests that their Class Notice and Claim Form be re-mailed. The Settlement Claims Administrator will notify Class Counsel and Defendants' Counsel of any Notice and Claims Form sent to a Class Member that is returned as undeliverable after the first mailing, as well as any such Notice and Claims Form returned as undeliverable after any subsequent mailing(s) as set forth in this Agreement.

2.5 Preliminary Approval Motion.

(A) On or before February 15, 2012 the Parties will submit this Agreement to the Court and shall move for Preliminary Approval of this Agreement for purposes of resolving this matter according to the terms of the Agreement.

(B) The Preliminary Approval Motion also will seek the setting of a date for individuals to submit Claim Forms, opt-out of this Agreement and/or provide objections to this Agreement, which date will be forty-five (45) days from the initial mailing of Notice and Claims Forms to the Class Members, and for a Fairness Hearing for Final Approval of the settlement before the Court at the earliest practicable date.

2.6 Notice and Claims Forms to Class Members

(A) Within ten (10) days of the filing of Preliminary Approval Order, Class Counsel or Defendants' Counsel will provide the Settlement Claims Administrator, in electronic form, for all Class Members a mailing list containing the name and last known addresses, as that information exists on file with Defendants. All information provided regarding the Class Members will be treated as confidential information by Class Counsel and the Settlement Claims Administrator. Said information will not be used by Class Counsel and the Settlement Claims Administrator for any purpose other than to effectuate the terms of settlement.

(B) A Class Member will have forty-five (45) days from the date of initial mailing to return the Claim Form. To be effective, a claim form must be post-marked by the Court-authorized Bar Date. To the extent that the envelope does not contain a post-mark, the date that the Class Administrator stamps the envelope or claim form 'received,' shall apply.

2.7 Class Member Opt-outs.

(A) Class Members who choose to opt-out of the settlement as set forth in this Agreement must mail via First Class United States Mail, a written, signed statement to the Settlement Claims Administrator that states he or she is opting out of the settlement, and include his or her name, address, and telephone numbers and statement indicating his or her intention to opt-out such as: "I opt out of the Sterling wage and hour settlement." ("Opt-out Statement"). To be effective, an Opt-out Statement must be post-marked by the Bar Date.

(B) The end of the time period to opt-out of the settlement ("Opt-out Period") shall be on or before the Bar Date.

(C) The Settlement Claims Administrator will stamp the received date on the original of each Opt-out Statement that it receives and shall serve copies of each Opt-out Statement on Class Counsel and Defendants' Counsel not later than three (3) days after receipt thereof. Within three (3) days of the end of the Opt-out Period, Class Counsel will file with the Clerk of Court, stamped copies of any Opt-out Statements and send a final list of all Opt-out Statements to Defendants' Counsel by both email and overnight delivery.

(D) Any Class Member who does not submit an Opt-out Statement pursuant to this Agreement, will be deemed to have accepted the settlement and the terms of this Agreement, will be bound by the Judgment in this case, and have any Released Rule 23 Class Claims released with prejudice. Only those Class Members who timely complete and return a Claim Form post-marked by the Bar Date will be deemed Authorized Claimants. Authorized Class Claimants will have all Rule 23 Released Claims and Released Claims dismissed, with prejudice. Sterling will only fund amounts allocated to each Authorized Class Claimant who returns a timely Claim Form as set forth in this Agreement. Defendants shall have no obligation to pay or fund any amounts allocated to Class Members who do not submit a timely Claim Form as set forth in this Agreement.

2.8 Objections to Settlement.

(A) Class Members who wish to present objections to the proposed settlement at the Fairness Hearing must first do so in writing. To be considered, such statement must be mailed to the Settlement Claims Administrator via First-Class United States Mail post-marked by the Bar Date. The statement must include all reasons for the objection, and any supporting documentation. The statement must also include the name, address, and telephone numbers for the Class Member making the objection. The Settlement Claims Administrator will stamp the date received on the original and send copies of each objection, supporting documents, as well as a copy of the notice and share form mailed to the Objector, to Class Counsel and Defendants' Counsel by email delivery no later than three (3) days after receipt of the objection. The Settlement Claims Administrator will also file the date-stamped originals of any and all objections with the Court within three (3) days after the end of the Opt-out Period.

(B) An individual who files objections to the settlement ("Objector") also has the right to appear at the Fairness Hearing either in person or through counsel hired by the Objector. An Objector who wishes to appear at the Fairness Hearing must state his or her intention to do so in writing on his or her written objections at the time he or she submits his or her written objections. An Objector may withdraw his or her objections at any time.

(C) The Parties may file with the Court written responses to any filed objections no later than three (3) days before the Fairness Hearing.

2.9 Fairness Hearing and Motion for Final Approval and Dismissal.

At the Fairness Hearing and Motion for Final Approval and Dismissal, the Parties will request that the Court, among other things: (1) approve the settlement and Agreement as fair, reasonable, adequate, and binding on all Class Members who have not timely opted out of the settlement; (2) order the Settlement Claims Administrator to distribute Settlement Checks to the Class Members, including Service Awards, if any, to be paid to certain Class Members as described in this Agreement; (3) approve the payment of attorneys' fees and costs to Class Counsel; (4) order the dismissal with prejudice of all Released Claims and Released Rule 23 Class Claims asserted in the Litigation, including the claims of all Class Members who did not opt-out, (5) order entry of Final Judgment in accordance with this Agreement; and (7) retain jurisdiction over the interpretation and implementation of this Agreement as well as any and all matters arising out of, or related to, the interpretation or implementation of this Agreement and of the settlement contemplated thereby.

2.10 Mailing of Settlement checks.

The Settlement Checks will be mailed to the Class Members by the Settlement Claims Administrator 15 days after the Final Effective Date. The check for approved attorneys' fees and expenses to Class Counsel shall be mailed by Sterling to Class Counsel 10 days after the Final Effective Date.

2.11 Effect of Failure To Grant Final Approval

In the event the Court does not approve this Settlement, the Parties shall proceed as follows:

(a) The Litigation will resume unless: (1) the Parties jointly agree to seek reconsideration or appellate review of the decision denying entry of Judgment; or (2) the Parties jointly agree to attempt to renegotiate the settlement and seek Court approval of the renegotiated settlement.

(b) In the event any reconsideration and/or appellate review is denied, the Parties shall have no further rights or obligations under this Agreement.

(c) If the settlement is not approved, the case will proceed as if no settlement has been attempted. In that event, Defendants retain the right to contest whether this case should be maintained as a class or collective action and to contest the merits of the claims being asserted by Plaintiffs in this action. Plaintiffs likewise retain the right to seek certification of a class or collective action.

2.12 Right to Rescission.

Notwithstanding any other provision of this Agreement, Defendants shall retain the right, in the exercise of their sole discretion, to nullify the settlement by giving notice, in writing, to Class Counsel and the Court at any time prior to the Fairness Hearing, if 20% or more Class members opt-out of the Settlement. In the event of such a rescission, no party may use the fact that the Parties agreed to settle this case as evidence of Defendants' liability in this lawsuit or the lack thereof.

3. SETTLEMENT TERMS

3.1 Settlement Amount.

(A) Sterling agrees to pay a maximum Gross Settlement Amount of Seven Hundred Eighty Five Thousand Dollars ($785,000.00) which shall fully resolve and satisfy any claim for attorneys' fees, expenses and costs approved by the Court, all amounts to be paid to all Authorized Claimants for releasing claims as set forth herein, Employer Payroll Taxes and any Court-approved Service Awards to Named Plaintiffs.

(B) Sterling shall fund the Qualified Settlement Fund in an amount equal to the amount of the Gross Settlement Amount that has been claimed by Class Members as a result of the filing of timely Claim Forms. Sterling shall fund the Qualified Settlement Fund ten (10) days after the Final Effective Date.

(C) Any uncashed Settlement Checks or Service Awards and all amounts remaining in the QSF one calendar year after the mailing of the settlement checks will revert to Sterling. For purposes of this provision, the mailing date shall be deemed to be the date posted on the settlement checks.

3.2 Settlement Amounts Payable as Attorneys' Fees, Expenses and Costs.

(A) At the Fairness Hearing and Motion for Final Approval, Class Counsel will petition the Court for an award of attorneys' fees, expenses and costs of no more than 36% of the Gross Settlement Amount ($284,599). Defendants will not oppose this application, including any appeal or request for reconsideration if the application is denied or modified by the Court. After payment of the approved attorneys' fees award, Defendants shall have no additional liability for Class Counsel's attorneys' fees, expenses and costs.

(B) The substance of Class Counsel's application for attorneys' fees, expenses and costs is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of any proceeding related to Class Counsel's application for attorneys' fees, expenses and costs shall not terminate this

Agreement or otherwise affect the Court's ruling on the Motion for Final Approval.

(C) The approved attorneys' fees, expenses and costs shall be paid by Sterling to the Class 10 days after the Final Effective Date.

3.3 Service Awards and Other Payments to Named Plaintiffs.

(A) In return for services rendered to the Class Members, at the Fairness Hearing, Named Plaintiffs will apply to the Court to receive no more than Twenty Five Thousand Dollars ($25,000.00) each as a Service Award.

(B) The application for Service Awards is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Litigation. The outcome of the Court's ruling on the application for Service Awards will not terminate this Agreement or otherwise affect the Court's ruling on the Motion for Final Approval or for Final Judgment and Dismissal.

3.4 Net Settlement Fund and Allocation to Class Members.

Individual Class Members' Settlement Allocations are computed as follows: (1) divide the number of workweeks worked by each Plaintiff in the Class Period as reflected in the confidential document exchanged with Plaintiffs' Counsel, by the total number of workweeks worked by all Plaintiffs in the Class Period, to determine each Plaintiff's percentage share of the Settlement Amount after attorneys' fees and service payments have been deducted ("Funds Available to the Class"); (2) multiply each Participating Class Member's percentage share times the Funds Available to the Class to compute the Participating Class Member's "Individual Settlement Benefit." The Settlement Allocations shall be made in accordance with the dates of employment set forth in the confidential document exchanged with Plaintiffs' Counsel.

3.5 Tax Characterization.

(A) Settlement payments to Class Members as identified in paragraph 3.1(A) from Defendants' will be allocated as follows: (i) one-half (1/2) of the payment will be deemed W-2 wage income, (ii) one-half will be deemed non-wage liquidated damages subject to 1099 reporting. Service Awards will be considered 1099 non-wage income. All wage payments to Class Members shall be subject to applicable payroll and withholding taxes.

(B) Except for payments attributed to liquidated damages, interest or Service Awards, payment of the Individual Settlement Allocation made pursuant to this Agreement will be subject to tax withholding and/or reporting. Accordingly, all such Individual Settlement Allocations shall reflect all applicable withholdings. Sterling shall be solely responsible for determining and processing the reporting of and the amount of tax withholding, if any, required from all Individual Settlement Allocations made pursuant to this Agreement.

(C) Each Authorized Claimant who receives a liquidated damages payment and/or Service Award shall be solely responsible for the payment of all taxes, if any, on such amounts. Each Authorized Claimant who receives a liquidated damages payment and/or Service Award agree to indemnify Defendants against any payment they may be required to make by any State, Local or Federal taxing authority.

4. RELEASE

4.1 Release of Claims.

(A) By operation of the entry of the Judgment and Final Approval, and except as to such rights or claims as may be created by this Agreement each individual Class Member who does not timely opt-out pursuant to this Agreement forever and fully releases Defendants from Released Rule 23 Class Claims.

(B) By operation of the entry of the Judgment and Final Approval, and except as to such rights or claims as may be created by this Agreement each individual Authorized Class Claimant forever and fully releases Defendants from all Released Claims.

(C) Except as provided in this Agreement, upon payment of the Attorneys' fees, expenses, and costs approved by the Court, Class Counsel and Plaintiffs, on behalf of the Class Members and each individual Class Member, hereby irrevocably and unconditionally release, acquit, and forever discharge any claim that he, she or they may have against Defendants for attorneys' fees or costs associated with Class Counsel's representation of the Class Members. Class Counsel further understands and agrees that any fee payments approved by the Court will be the full, final and complete payment of all attorneys' fees, expenses and costs associated with Class Counsel's representation in the Litigation.

4.2 Denial of Liability

(A) Defendants have agreed to the terms of this Agreement without in any way acknowledging any fault or liability, and with the understanding that terms have been reached because this settlement will avoid the further expense and disruption of Defendants' business due to the pendency and expense of litigation. Nothing in this Agreement shall be deemed or used as an admission of liability by Defendants, nor as an admission that a class should be certified for any purpose other than settlement purposes.

(B) Neither Party shall make any statement to the media relative to this Settlement. Class Counsel has agreed to not use the Litigation or the

Mailing List as marketing tools or for promotional purposes in any manner. Class Counsel agrees to remove all reference to the Litigation from their website.

5. INTERPRETATION AND ENFORCEMENT

5.1 Cooperation Between the Parties; Further Acts. The Parties shall reasonably cooperate with each other and shall use their reasonable best efforts to obtain the Court's approval of this Agreement and all of its terms. Each party, upon the request of any other party, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

5.2 No Assignment. Class Counsel and Named Plaintiffs, on behalf of the individual Class Members, represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Litigation, or any related action.

5.3 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.

5.4 Binding Effect. This Agreement shall be binding upon the Parties and, with respect to Named Plaintiffs, the Opt-in Plaintiffs, and all Class Members, their spouses, children, representatives, heirs, administrators, executors, beneficiaries, conservators, attorneys and assigns.

5.5 Arms' Length Transaction; Materiality of Terms. The Parties have negotiated all the terms and conditions of this Agreement at arms' length. All terms and conditions of this Agreement in the exact form set forth in this Agreement are material to this Agreement and have been relied upon by the Parties in entering into this Agreement, unless otherwise expressly stated.

5.6 Captions. The captions or headings of the Sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.

5.7 Construction. The determination of the terms and conditions of this Agreement has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this Agreement, and therefore the terms and conditions of this Agreement are not intended to be, and shall not be, construed against any party by virtue of draftsmanship.

5.8 Blue Penciling. If any provision of this Agreement is held by a court of competent jurisdiction to be void, voidable, unlawful or unenforceable, the remaining portions of this Agreement will remain in full force and effect.

5.9 **Governing Law.** This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of New York, without regard to choice of law principles, except to the extent that the law of the United States governs any matter set forth herein, in which case such federal law shall govern.

5.10 **Continuing Jurisdiction.** The Parties shall request the Court to retain jurisdiction over the interpretation and implementation of this Agreement as well as any and all matters arising out of, or related to, the interpretation or implementation of this Agreement and of the settlement contemplated thereby. The Parties shall not petition the Court to modify the terms of the Agreement or to increase Defendants' payment obligations hereunder.

5.11 **Waivers, etc. to Be in Writing.** No waiver, modification or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification or amendment, subject to any required Court approval. Any failure by any party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

5.12 **When Agreement Becomes Effective; Counterparts.** This Agreement shall become effective upon its full execution and approval by the Court. The Parties may execute this Agreement in counterparts, and execution in counterparts shall have the same force and effect as if all Parties had signed the same instrument.

5.13 **Binding Authority of Class Counsel.** Class Counsel hereby represent that they are fully authorized to bind the Named Plaintiffs to the terms and conditions hereof and that they have retainer agreements and/or authorizations to execute this Agreement on their behalf.

5.14 **Signatures.** This Agreement is valid and binding if signed by the Parties' authorized representatives.

5.15 **Facsimile and Email Signatures.** Any party may execute this Agreement by causing its counsel to sign on the designated signature block below and transmitting that signature page via facsimile or email to counsel for the other party. Any signature made and transmitted by facsimile or email for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or email.

WE AGREE TO THESE TERMS,

By: ______________________________

Dated:

By: ______________________________

Dated:

By: ______________________________

Dated:

Kraselnik & Lee

By: ______________________________
C.K. Lee

Dated: ______________

By: ______________________________
Joseph Han

Dated: ______________

By: ______________________________
Tony Chang

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of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or email.

WE AGREE TO THESE TERMS,

Defendants

By: ______________________
STERLING NATIONAL MORTGAGE COMPANY, INC.

Dated: 2/13/12

By: ______________________
JONATHAN GOLDBERG

Dated: 2-13-12

By: ______________________
ADAM DEJAK

Dated: 02/13/2012

By: ______________________
MICHAEL BIZENOV

Dated: 2/13/12

Kraselnik & Lee

By: ______________________
C.K. Lee

Dated: ______________

By: ______________________
Joseph Han

Dated: ______________

By: ______________________
Tony Chang

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of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or email.

WE AGREE TO THESE TERMS,

By: ______________________

Dated:

By: ______________________

Dated:

By: ______________________

Dated:

Kraselnik & Lee

By: ______________________
C.K. Lee

Dated: 2/10/12

By: ______________________
Joseph Han

Dated: 2/10/12

By: ______________________
Tony Chang

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of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party whose counsel transmits the signature page by facsimile or email.

WE AGREE TO THESE TERMS,

By: ______________________

Dated:

By: ______________________

Dated:

By: ______________________

Dated:

Kraselnik & Lee

By: ______________________
C.K. Lee

Dated: ______________

By: ______________________
Joseph Han

Dated: 2/14/2012

By: ______________________
Tony Chang

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